

**Connecticut General Assembly**  
**The Energy and Technology Committee**

March 7, 2013

*Raised Senate Bill No. 1307, AAC Concerning The Procurement Plan,  
Integrated Resources Plan And Comprehensive Energy Strategy And Minor  
And Technical Revisions To The Utility Statutes*

**Testimony of Dominion Retail, Inc.**

My name is William Barkas, and I am Manager of State Government Relations for Dominion Retail, Inc., a subsidiary of Dominion Resources, Inc. My company is a licensed retail electric supplier with more than 670,000 electric customers in nine states, including more than 60,000 small mass market customers in Connecticut together with our business partner, Levco Energy. Overall, we serve more than two million retail energy customers in 15 states.

**SB 1307 (Sec. 6, 2, a)**

This bill is a comprehensive piece of legislation involving several major concepts on which Dominion Retail takes no position. However, we do wish to comment on Section 6 (2)(a) which reads as follows:

“All reasonable costs associated with the development of the Procurement Plan by the authority shall be recoverable through the assessment in section 16-49. All electric distribution companies' reasonable costs associated with the development of the Procurement Plan shall be recoverable through a reconciling nonbypassable component of the electric rates as determined by the authority.”

Dominion Retail is deeply concerned that “a reconciling nonbypassable component” could, if misapplied, distort and jeopardize the retail choice market by requiring that costs associated with the development of the Procurement Plan identified as attributable to generation costs be recovered from all rate payers. In other words, all rate payers, including those who have switched to competitive retail suppliers, would then be subsidizing costs that should be borne by Standard Service customers alone. Dominion Retail, along with the Retail Energy Supply Association (RESA), has been an active participant in the “PURA Review of Electric Bill Charges and Costs” (Docket No. 12-05-04) and has continued to recommend the Public Utilities Regulatory Authority

(PURA) require the utilities to reflect the full cost of their providing supply to customers by maintaining an accurate allocation of costs between generation (i.e., bypassable) and distribution (i.e., non-bypassable) rates. Such costs would include both the regulatory assessment and any utility costs associated with the development of the Procurement Plan. Consequently, it would appear that since Procurement Plan costs are related to generation they therefore should be considered bypassable and, without further rationale to the contrary being provided in this bill, should also be non-reconcilable.

We urge the Energy and Technology Committee to carefully consider the possible unintended consequences that may occur if the language in Sec. 6 (2)(a) is adopted.